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UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Periodic Reporting (Proposal One)

Docket No. RM2016-7

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued April 14, 2016)

To clarify the Postal Service's petition to consider a change in analytical principles, filed April 5, 2016,¹ the Postal Service is requested to provide written responses to the following questions. Answers to each question should be provided as soon as they are developed, but no later than April 21, 2015.

- 1. Please clarify when the changes in Proposal One would take effect if approved.
- 2. Please refer to the Petition at 5-6, which discusses the model-based regression estimator for each expansion stratum. Please provide the expected number of observations for the regression estimator of an average letter post expansion stratum, and for the regression estimator of an average parcel post expansion stratum.
- 3. Please refer to the Petition at 6, which states: "For example, if no air bags from Miami to Country 'X' were sampled in Miami during the reporting period, the program looks to find samples of air bags from Miami to Country 'X' in an adjacent period and, if not finding any, adjusts to find air bags from all other exchange offices to Country 'X' sent during that time period."
 - a. Please confirm that the time period referred to as "that time period" in the quoted material is the reporting time period.

¹ Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal One), April 5, 2016 (Petition).

- b. If not confirmed, please explain why an adjacent (earlier) time period would be used before the reporting time period when the search criteria has been widened to all exchange offices to Country "X."
- 4. Please refer to the Petition, Attachment A at 4, which states: "Approximately 9,994 SIRVO-IODIS tests were scheduled in FY 2015 among the exchange offices processing outbound international mail." Please clarify what proportion of outbound international mail was sampled by these tests.
- 5. Please refer to the Petition, Attachment A at 6, which states that "...regression coefficients are estimated by the weighted least squares method." Please describe the weights expected to be used in the regression for expansion strata.
- 6. Please refer to the Petition, Attachment B, which shows the changes in revenue, pieces, and weight (RPW) for FY 2015 if Proposal One were implemented. Please explain why the RPW estimates for various domestic products change as a result of Proposal One.

By the Acting Chairman.

Robert G. Taub